



commerce
undergraduate
society



COMM 393

MIDTERM REVIEW SESSION

by Sarah Wang

General Advice

- Read the case carefully and highlight important facts
- Use the course outline to view a list of all topics and cases learned
- Don't just answer the question; analyze every legal concept and follow the **legal reasoning framework**
- Memorize the definitions of the laws
- Manage your time well during the exam

Legal Reasoning Framework

- **ISSUE:** What is the legal problem at hand? (Most of the time you can simply repeat the question.)
- **LAW:** Give a clear definition of the legal principle learned in this course. State the source if the source is a case you have studied in class.
- **APPLICATION:** Look back to the facts and apply the law to those facts. State any assumptions made. If ambiguous, develop arguments for both sides.
- **CONCLUSION:** State your final conclusion clearly (i.e. Decide what the outcome would likely be). If ambiguous/debatable, give reasons and state all possibilities.



Practice Problem 1

Market research indicates that Sunbucks has been losing a lot of its customers to the newly opened bubble tea stores in Vancouver. In order to combat this, Sunbucks has decided to create their own line of bubble tea refreshments to be released on October 1, 2019. To prepare for this, Sunbucks entered into an agreement with a supplier, Pearls Inc., to purchase 50lbs of tapioca balls (aka “pearls”) to be delivered on September 30, 2019.

On September 29, 2019, Pearls Inc. contacted Sunbucks to let them know that they were running short on their supply of pearls as Teatime placed an unexpected order last minute and threatened to switch suppliers if Pearl Inc. was unable to provide them with the required supply of pearls. Pearls Inc. told Sunbucks that they would not be able to deliver the pearls until October 2, 2019. To this, the production manager at Sunbucks responded, “Sure, there’s no worries at all. You can deliver them by October 2 and we won’t charge you any late fees.”

On October 1, 2019, Sunbucks released their bubble tea line as originally planned, but told customers that they did not have pearls yet and customers could get coconut jelly or grass jelly instead. Sunbucks received a lot of complaints from customers purchasing bubble tea saying that they wanted pearls, and that they were extremely disappointed by Sunbucks producing “fake” bubble tea. Sunbucks blamed this on Pearls Inc.’s inability to deliver the pearls on time, so when Pearls Inc. delivered the products on October 2, Sunbucks demanded they pay the late fees. Pearls Inc. refused to pay the late fees and Sunbucks is now considering taking legal action against Pearls Inc.

Do you think Sunbucks will succeed in this legal action? What defense mechanism would Pearls Inc. likely take against Sunbucks? Explain fully.



Practice Problem 2

Megan walked into an Aritzya store and tried on “The Super Buff” as it was on sale for 20% off. Seeing this could be a potential sale for the store, a salesperson approached Megan to try to convince her to make the purchase. As someone who is extremely against animal cruelty, Megan asked the salesperson what the jacket was made of and mentioned she would only purchase it if the jacket did not contain animal-sourced products. The salesperson assured Megan that the jacket was made from “vegan-down,” which is a type of artificial down that is not extracted from animals. Hearing this, Megan was extremely happy and decided to purchase the jacket.

After she went home, Megan’s mother was extremely upset with Megan’s purchase and insisted that Megan did not need a \$250 jacket at the age of 17. The next day, Megan went back to Aritzya to try to return the jacket. The cashier at Aritzya informed Megan that the jacket is non-refundable as it was on sale.

- a) Do you think a court would order Aritzya to give Megan a refund?



b) Suppose Megan is unable to get a refund from Aritzya, so her mom tells her to try to sell the jacket online in order to recover most of the money. Megan goes on the Facebook group “Vancouver Aritzya Shop and Swap” and posts a picture of her Super Buff. In the caption of the photo, she includes the specifics of the jacket (size, colour, condition etc.) and asks for a selling price of \$200. The next day, a girl named Rachel messages Megan about the jacket and the two have the following conversation on Facebook messenger:

Nov 2, 2019. **Rachel:** Hi Megan, I am interested in buying your Super Buff. Where and when can you meet up for the exchange?

Nov 3, 2019. **Megan:** Hi Rachel, I am quite busy this week but I am available to meet up sometime next week in Burnaby. I can keep them for you until the end of next week (Nov 12). Please let me know if this works for you! Also, you can either pay me in cash or e-transfer me.

Nov 10, 2019. **Megan:** I haven’t heard anything from you. There’s another girl who wants to buy it today. I am going to sell it to her.

Nov 11, 2019. **Rachel:** You said you would keep them for me until November 12! I still want the jacket! I have already mailed you a cheque on November 6 with a letter that says “I accept the sale of the Super Buff for \$200.” The jacket is mine and you can’t sell it to anyone else!

Is Megan required to sell her jacket to Rachel? (i.e. Do Megan and Rachel have a contract?)



Practice Problem 3

Brad is a fourth year accounting student at the Sauder School of Business. During CPA recruit, Brad received an offer to work at Delight LLP, an accounting firm, full-time after graduation. While viewing his offer letter, he noticed the following provision:

Brad (the “Employee”) agrees that during the period of his employment and for a period of 5 years from the date the Employee ceases to be employed by Delight LLP, the Employee shall not directly or indirectly provide services, in any capacity, whether as an employee, consultant, owner or otherwise, to any person or entity that provides accounting, audit, tax, advisory or consulting services or is engaged in any business competitive or related to the business of Delight LLP within North America.

All Brad has ever wanted in his undergrad career was to land a job at one of the Big 4. Therefore, he signed the offer letter and began his employment at Delight LLP a few months after graduation and obtained his CPA designation soon after.

Two years after starting his job at Delight LLP, Brad was approached by the head recruiter of Delight LLP’s main competitor, Placewaterhome Cottons LLP, who offered Brad a position as a Senior Manager in their Audit service line in Vancouver. At the age of 24, Brad would be the youngest Senior Manager any accounting firm has ever seen. Excited about this opportunity, Brad accepted the offer and left Delight LLP.

A month into his new role, Brad received a letter from Delight LLP, which stated that he violated his employment agreement and that they will seek an injunction to prevent Brad from working for Placewaterhome Cottons LLP.

Will Delight LLP be successful in obtaining an injunction?



Practice Problem 4

Jenny is the receptionist at the Canada Revenue Agency (CRA) office in Vancouver. Jenny loves her job and performs extremely well. However, she is being forced to retire next month before her 50th birthday as there is a policy set in place that says all employees must be under the age of 50 as the CRA wants all employees to be “young and vibrant.” Jenny’s colleague, Frank, mentioned to Jenny that she can challenge this policy under the Charter of Rights and Freedoms. Jenny has no background in law and is therefore not sure what to do. Advise Jenny how she would challenge this policy and what arguments the CRA would likely raise in order to respond to her challenge. What are Jenny’s chances of succeeding in court?



Practice Problem 5

On Friday night, John and Chris went to a local bar to celebrate finishing their COMM 393 midterm exam. After having 12 drinks each, John and Chris left the bar. On their way home, the two decided to stop at Chubway to get some sandwiches. They added different types of meats and cheeses to their sandwiches and also ordered drinks, chips and cookies. Both of them ended up spending over \$30 each at Chubway. After leaving Chubway, John and Chris walked into Blurberry and each purchased a \$500 wallet.

The next morning, after John and Chris woke up, they checked their bank accounts and noticed they had each spent \$530 last night at Chubway and Blurberry. Shocked at their own actions, John and Chris immediately went back to Chubway and Blurberry to try to get refunds, claiming that they were “too drunk to function” the previous night. Neither store would allow them a refund.

Assess John and Chris’ likelihood of success if they were to bring this case to court.

